

A Woman's Guide to Starting a Business in Michigan

"Michigan will become an economic powerhouse in the 21st century. We will grow our economy by giving businesses the tools they need to succeed."

Governor Jennifer M. Granholm
State of the State Address 2004

A Snapshot of Michigan Women Business Owners

- In 1997, 26 percent of all firms in the United State were owned by women.*
- In Michigan in 1997, there were 184,590 women-owned firms.*
- In 2004, there were about 257,298 privately-held firms in Michigan in which women owned at least 50 percent of the company.^
- Between 1997 and 2004, there was a 28.3 percent increase in the number of firms in Michigan in which women owned the majority of the company. Michigan ranks 19th in the nation in the growth of these businesses.^

* U.S. Census Data
^ Center for Women's
Business Research

How do I start a business in Michigan?

Starting a business is a huge endeavor that can bring both rewards and struggles. For women looking for freedom from the typical job or hoping to find a work schedule that will accommodate their family life, starting a business can be very beneficial. It can bring a sense of independence, and at times, it can be a way to achieve greater financial success.

It takes more than a good idea to start a good business, however. The logistics of owning a business, which include everything from taxes to employee benefits, require careful attention and planning. As the popular phrase suggests, "don't quit your day job" until you have a solid idea of the type of business you want to own, the type of special licensing or training you might need to legally operate your business, the liability involved and other factors affecting the creation of a company.

The State of Michigan has been working to make it easier for its citizens to establish their own businesses. The Michigan Economic Development Corporation (MEDC) is one of the best places to start your research. At the MEDC website (medc.michigan.org), you will find questions to evaluate how prepared you are to start your business as well as a step-by-step guide about the process of starting a business in Michigan. This fact sheet also lists regional resources that can give you more information about guidelines and support available in your area of the state.



Five Tips for Starting a Business

1 Research your ideas, interests and goals.

Educate yourself about your future customers, your competition and the market in which you hope to work. Learn about other companies in the field of your interest, and see which business ideas have worked and which have not.

2 Network with others in your field.

Learn about people who already work in your industry. Meet industry leaders or attend events at which they speak. Something worked for them to be so successful — networking will be one way for you to discover what that is.

3 Create a detailed plan for your business.

A thought-out business plan is not a guarantee that your business will take off, but it can say that you are ready for success. Developing a business plan will detail your business and its goals, and it may also show you the areas that still need consideration.

4 Be patient with the process.

You could start a business in a week or a few months — but when you want it to last years, it may require years of planning to start it the right way.

5 Seek reliable opportunities and funding.

Don't waste your passion for starting a business on dead-end, "get rich quick" schemes. Beware of services that charge you to search for funding. Hard work is your most reliable tool when starting a business.

Where can I learn more?

Michigan Economic Development Corporation
<http://medc.michigan.org>

Michigan Business Start-Up Wizard
<http://michigan.gov/businessstartup>

Michigan State University Grant Center
<http://www.lib.msu.edu/harris23/grants>

National Association of Women Business Owners
<http://www.nawbo.org>

Small Business Association of Michigan
<http://www.sbam.org>

Where can I find funding?

One of the most common myths about starting a business is that there is vast government, non-profit or private funding available for anyone with a business idea. In reality, no state or federal entity exists to hand out money to women who want to start a business. Some businesses, regardless of the motivation and passion of the people trying to start them, will never get off the ground simply because funding is unavailable.

Funding for businesses can come from an assortment of places. Your own personal investment, such as savings or credit, may be required to support your business. Funding may also come from bank loans or grants from foundations or other organizations. Beware that such grants are often highly competitive and can't be relied upon as your only source of potential funding. Have alternatives lined up and be ready to change your ideas as you accommodate changes in your funding.

You may also want to consider seeking a business partner to help establish your business. Talk to investors, business owners you know or even friends and family members who may be looking for a new business in which to take part. They may not only have some funding to offer, but they may have advice based on their own experience that is invaluable as well.

To better acquaint yourself with your field and to connect with the people in it, consider attending a networking event or joining a professional organization. Networking can be one way to learn about how to seek funding, and it may also introduce you to possible investors.

Seek opportunities for professionals in your field as well as opportunities for women. The National Association of Women Business Owners (www.nawbo.org), for instance, has local chapters and hosts conferences for women to connect and learn about specific resources available to them.

What is certification?

Some organizations offer certification for women-owned businesses. Certification may increase your ability to compete for corporate or government contracts. In some cases, major corporations only negotiate contracts with certified businesses.

Certifying your business can provide additional training, resources and networking potential. Some programs host conferences especially for their participants that may introduce you to possible clients and also teach you how to compete for large contracts.

The Women's Business Enterprise National Council is one organization offering nationally recognized certification. Businesses that are more than 51 percent women-owned may apply for consideration. You can learn more at www.wbenc.org/certification.

Where can I find programs, training and support?

Starting a business could be considered a one-woman show, but it does not always have to feel that way. An outside source of support can be a great help toward success. While networking through membership organizations is one way to achieve this, some communities have non-profit organizations and development centers designed to assist you. These groups may offer training, seminars and other opportunities to encourage your passion for business while equipping you with the tools you need to get started. Here are a few places to consider:

- *Michigan Small Business & Technology Development Center* (www.misbtdc.org) – Has 12 regional offices and 60 satellite offices around the state. Offers training and support for small business owners.
- *Michigan Center for Empowerment and Economic Development* (www.miceed.org) – Offers programs, training and certification opportunities to women in the southeast area of the state.
- *Grand Rapids Opportunities for Women* (www.growbusiness.org) – Works with women of West Michigan to provide training and tools. Offers a 15 week training course, shorter seminars and mentoring.

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